88-1099

No. 88-

Supreme Court, U.S.
FILED
JAN 3 1989
JOSEPH F. SPANIOL, JR.
CLERK

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1988

BV ENGINEERING,
Petitioner,
VS.
UNIVERSITY OF CALIFORNIA, LOS ANGELES,
(THE REGENTS OF THE UNIVERSITY OF CALIFORNIA)
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

MICHAEL A. LADRA
(Counsel of Record)
Two Palo Alto Square
Suite 900
Palo Alto, CA 94306
(415) 493-9300
Attorney for Petitioner

NINA F. LOCKER
LEO P. CUNNINGHAM
WILSON, SONSINI, GOODRICH & ROSATI
Of Counsel

BOWNE OF SAN FRANCISCO, INC. • 190 NINTH ST. • S.F., CA 94103 • (415) 864-2300

64 pp

QUESTION PRESENTED

Does the eleventh amendment bar copyright owners from suing in federal court for the recovery of damages against states who infringe their copyrights, even though Congress has made the federal courts the exclusive forum for actions under the Copyright Act of 1976 (17 U.S.C. §§ 101-810 and 28 U.S.C. § 1338(a))?

LIST OF PARTIES

The parties to the proceedings in the Central District of California and Ninth Circuit Court of Appeals were petitioner BV Engineering and respondent University of California, Los Angeles (The Regents of the University of California).

TABLE OF CONTENTS

	Page
Question presented	i
List of parties	ii
Opinions below	1
Jurisdiction	2
Constitutional and statutory provisions involved	2
Statement of the case	2
Reasons for granting writ	4
I. This Court has never addressed the applicability of eleventh amendment immunity to a claim for which exclusive jurisdiction rests in the federal courts and state law remedies have been preempted	4
II. The Ninth Circuit's decision raises important issues of national consequence which require resolution	6
III. The *Atascadero/Welch* rule for determining congressional intent to abrogate the states' eleventh amendment immunity does not apply to the Copyright Act of 1976	11
IV. The Copyright Act of 1976 unequivocally expresses congressional intent to abrogate the states' eleventh amendment immunity	15
Conclusion	22

TABLE OF AUTHORITIES

Cases

Page

Atascadero State Hospital v. Scanlon, 473 U.S. 234 (1985) ..... *passim*
BV Engineering v. University of California, Los Angeles, 858 F.2d 1394 (9th Cir. 1988) *aff'g* 657 F. Supp. 1246 (C.D. Cal. 1987) 1, 3
BV Engineering v. University of California, Los Angeles, 657 F. Supp. 1246, (C.D. Cal. 1987), *aff'd* 858 F.2d 1394 (9th Cir. 1988) 1, 3
Cablevision Systems Development Company v. Motion Picture Association of America, Inc., 836 F.2d 599 (D.C. Cir.), *cert. denied*, 108 S. Ct. 2901 (1988) 10
Cardinal Industries, Inc. v. Anderson Parrish Assocs., Inc., No. 83-1038-Civ.-T-13 (M.D. Fla. Sept. 6, 1985) (unreported), *aff'd without opinion*, 811 F.2d 609 (11th Cir.), *cert. denied sub nom.* Cardinal Industries, Inc. v. King, 108 S. Ct. 88 (1987) 6
DeSylva v. Ballantine, 351 U.S. 570 (1956) 10
Edelman, Director, Dept. of Public Aid of Illinois v. Jordan, 415 U.S. 651 (1974) 13
Employees v. Missouri Public Health Dept., 411 U.S. 279 (1973) 4, 5, 12, 13, 14, 15
Goldstein v. California, 412 U.S. 546 (1973) 14
Hutto v. Finney, 437 U.S. 678 (1978) 13, 18
Johnson v. University of Virginia, 606 F. Supp. 321 (W.D. Va. 1985) 10
Lane v. First Nat'l Bank of Boston, 687 F. Supp. 11 (D.C. Mass. 1988), *appeal pending*, No. 88-1815 (1st Cir. 1988) 6
Matter of McVey Trucking, Inc., 812 F.2d 311 (7th Cir.), *cert. denied sub nom.* Edgar v. McVey Trucking, 108 S. Ct. 227 (1987) 18
Mihalek Corp. v. Michigan, 595 F. Supp. 903 (E.D. Mich. 1984), *aff'd on other grounds*, 814 F.2d 290 (6th Cir. 1987), *cert. denied*, 108 S. Ct. 503 (1987) 6
Mills Music, Inc. v. Arizona, 591 F.2d 1278 (9th Cir. 1979) 3, 9, 10
Morton v. Ruiz, 415 U.S. 199 (1974) 10

TABLE OF AUTHORITIES

CASES

Page

Parden v. Terminal Railway, 377 U.S. 184 (1964) 4
Patsy v. Board of Regents, 457 U.S. 496 (1982) 16, 17
Patterson v. Lamb, 329 U.S. 539 (1947) 10
Pennhurst State School & Hospital v. Halderman, 465 U.S. 332 (1979) 12
Richard Anderson Photograph, Inc. v. Brown, 852 F.2d 114 (4th Cir. 1988), *cert. pending*, No. 88-651 .....6, 11, 12, 16, 17, 19
Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964) .. 7
United States v. Oregon State Medical Society, 343 U.S. 326 (1952) 7
United States v. Union Gas Co., 832 F.2d 1343 (3d Cir. 1987), *cert. denied sub nom.* Pennsylvania v. Union Gas Co., 108 S. Ct. 1219 (1988) 3
Welch v. Texas Dep't of Highways and Public Transp., 107 S. Ct. 2941 (1987) ..... *passim*
Woelffer v. Happy States of America, Inc., 626 F. Supp. 499 (N.D. Ill. 1985) 6

Statutes

17 U.S.C. § 110(2) 2, 18, 19
17 U.S.C. § 110(2)(iii) 19
17 U.S.C. § 110(6) 2, 18, 19
17 U.S.C. § 110(8) 2, 18
17 U.S.C. § 111(a)(2) 2
17 U.S.C. § 111(a)(4) 18
17 U.S.C. § 112(b) 2, 18
17 U.S.C. § 112(c) 2, 18
17 U.S.C. § 112(d) 2, 18
17 U.S.C. § 118(d)(3) 2, 18
17 U.S.C. § 301 21
17 U.S.C. § 301(a) 2, 5, 13
17 U.S.C. § 501 .....3, 15, 16
17 U.S.C. § 501(a) 2, 15
17 U.S.C. § 501(b) 2
17 U.S.C. § 504(a) 2

TABLE OF AUTHORITIES

STATUTES

	Page
17 U.S.C. § 601	17
17 U.S.C. § 601(a)	16
17 U.S.C. § 601(b)(3)	2, 16
17 U.S.C. § 602	17, 19
17 U.S.C. § 602(a)	16
17 U.S.C. § 602(a)(1)	2, 16, 17
28 U.S.C. § 1254(1)	2
28 U.S.C. § 1338(a)	2, 5, 7, 13, 21
28 U.S.C. § 1498	21
29 U.S.C. §§ 201-219	12
29 U.S.C. §§ 701 *et seq.*	12
42 U.S.C. § 1983	16
46 U.S.C. § 688	12

Constitution

U.S. Const. amend. XI	*passim*
U.S. Const. amend. XIV	12
U.S. Const. art. I, § 8, cl. 3 (Commerce Clause)	12
U.S. Const. art. I, § 8, cl. 8 (Copyright and Patent Clause)	2, 9, 12, 14
U.S. Const. art. I, § 8, cl. 18 (Necessary and Proper Clause)	12

Miscellaneous

52 Fed. Reg. 42,045 (November 2, 1987)	10
3 M. Nimmer & D. Nimmer, *Nimmer on Copyright* § 12.01[E] (1986)	10
64 Op. Att'y Gen. Cal. 186 (1981)	10
65 Op. Att'y Gen. Cal. 106 (1982)	10
71 Op. Att'y Gen. Cal. 16 (1988)	10
81 Slip. Op. Att'y Gen. Kan. 202 (1981)	10
82 Slip Op. Att'y Gen. La. 662 (1982)	10
82 Slip Op. Att'y Gen. Utah 3 (1982)	10
84 Slip Op. Att'y Gen. La. 436 (1985)	10
366 Inf. Op. Att'y Gen. Alaska 404 (1982)	10
1987 Copyright L. Rep. (CCH) § 26,240 (Ohio Attorney General)	10

TABLE OF AUTHORITIES

MISCELLANEOUS

Page

Copyright Law Revision: Preliminary Draft for Revised U.S. Copyright Law and Discussions and Comments on the Draft, House Comm. on the Judiciary, Part 3, 88th Cong., 2nd Sess. (1964) 20

Copyright Law Revision: Hearings on H.R. 2223, Subcomm. on Courts, Civil Liberties and the Admin. of Justice of the House Comm. on the Judiciary, 94th Cong., 1st Sess. (1975) 20

Copyright Law Revision: Hearings on H.R. 4347, H.R. 5680, H.R. 6831, H.R. 6835 Before Subcomm. No. 3 of the House Comm. on the Judiciary, 89th Cong., 1st Sess. (1965) 20

Copyright Law Revision: Hearings on S. 1361 before the Subcomm. on Patents, Trademarks and Copyrights of the Senate Comm. on the Judiciary, 93rd Cong., 1st Sess. (1973) 20

Copyright Law Revision: Hearings on S. 597 Before the Subcomm. on Patent, Trademarks and Copyrights of the Senate Comm. on the Judiciary, 90th Cong., 1st Sess. (1967) 19

H.R. Rep. No. 1476, 94th Cong., 2d Sess. 19

House Comm. on the Judiciary, *Copyright Law Revision*, "Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law," 87th Cong., 1st Sess. (Comm. Print July 1961) 19

Note, *The Applicability of the Eleventh Amendment Immunity Under the Copyright Acts of 1909 and 1976*, 36 Am. U.L. Rev. 163 (1986) 10, 13

Register of Copyrights, *Copyright Liability of States and the Eleventh Amendment* (1988) 8

No. 88-

In the Supreme Court

OF THE

United States

OCTOBER TERM, 1988

BV ENGINEERING,
Petitioner,
VS.
UNIVERSITY OF CALIFORNIA, LOS ANGELES,
(THE REGENTS OF THE UNIVERSITY OF CALIFORNIA)
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

Petitioner BV Engineering respectfully requests that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Ninth Circuit entered on October 3, 1988.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Ninth Circuit, affirming the District Court's Order granting summary judgment and barring BV Engineering's damage action for copyright infringement against the University of California, Los Angeles ("UCLA"), an instrumentality of the State of California, is reported at 858 F.2d 1394 (9th Cir. 1988) and is reprinted at pages A1 through A13 of the Appendix to this Petition. The opinion of the United States District Court for the Central District of California granting summary judgment for UCLA is reported at 657 F. Supp. 1246 and is reprinted at pages A14 through A23 of the Appendix to this Petition.

JURISDICTION

The judgment of the United States Court of Appeals for the Ninth Circuit was entered on October 3, 1988. Jurisdiction of this Court is invoked pursuant to 28 U.S.C. Section 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

This case involves article I, section 8, clause 8 (the "Copyright and Patent Clause") and the eleventh amendment of the Constitution of the United States.

This case also involves sections 501(a) and (b) and 504(a) of the Copyright Act of 1976 (17 U.S.C. §§ 501(a) and (b), 504(a)), granting copyright owners a damage remedy against "anyone" who infringes a copyright, 28 U.S.C. Section 1338(a), which provides that the federal district courts shall have exclusive jurisdiction in copyright cases, and 17 U.S.C. Section 301(a), which preempts state law causes of action that might allow aggrieved copyright owners to obtain damages in state court. Finally it involves sections 601(b)(3), 602(a)(1), 110(2), 110(6), 110(8), 111(a)(2), 112(b), 112(c), 112(d) and 118(d)(3) of Title 17, the Copyright Act of 1976, which exhibit Congress' intent to subject the States to suit for copyright infringement.

The texts of these provisions are set forth at pages A22 through A31 of the Appendix to this Petition.

STATEMENT OF THE CASE

BV Engineering creates and sells computer programs. In 1986, UCLA purchased one copy, and the accompanying user manuals, for each of seven programs sold by BV Engineering. Each of these programs contained a valid copyright notice and the copyright on each had been registered with the Copyright Office. Shortly after receiving these copyrighted works, UCLA made three copies of each program and ten copies of each user manual. The making of these copies was unauthorized and infringed BV Engineering's copyrights in the seven works.

In July, 1986, BV Engineering commenced this action against UCLA and asserted various claims including one for copyright infringement under section 501 of the Copyright Act of 1976, 17 U.S.C. § 501. The District Court dismissed with prejudice all claims other than the claim for copyright infringement. 858 F.2d at 1395 (App. at A3). On April 17, 1987, the District Court granted summary judgment for UCLA on the sole ground that the eleventh amendment barred BV Engineering's damage suit for copyright infringement against UCLA, an instrumentality of the State. *BV Engineering v. University of California, Los Angeles*, 657 F. Supp. 1246, 1247, 1250-51 (C.D. Cal. 1987). (App. at A15, A23.) The District Court concluded that *Mills Music, Inc. v. Arizona*, 591 F.2d 1278 (9th Cir. 1979), in which the Ninth Circuit held that Congress had abrogated the states' Eleventh Amendment immunity in the Copyright Act of 1909, was no longer controlling precedent in light of this Court's subsequent decision in *Atascadero State Hospital v. Scanlon*, 473 U.S. 234 (1985). *BV Engineering*, 657 F. Supp. at 1249-50. (App. at A23.)

On October 3, 1988, the Ninth Circuit affirmed the District Court's order granting summary judgment for UCLA. Assuming, without deciding, that Congress may abrogate the states' eleventh amendment immunity when acting under an article I power,[1] the Ninth Circuit held that Congress failed to exercise that power in the Copyright Act of 1976. In particular, the Ninth Circuit held that the Copyright Act of 1976 did not contain the "unequivocal and specific language" indicating a congressional intent to abrogate eleventh amendment immunity as required by *Atascadero State Hospital v. Scanlon*, 473 U.S. at 242, and *Welch v. Texas Dep't of Highways and Public Transp.*, 107 S. Ct. 2941, 2944-45

---

[1] The District Court concluded that Congress had the power to abrogate eleventh amendment immunity when legislating under the Copyright and Patent Clause of Article I of the Constitution. (657 F. Supp. at 1248; App. at A16-A18.) The issue of Congress' power to abrogate when legislating pursuant to the commerce clause of article I is currently before this Court for decision in *United States v. Union Gas Co.*, 832 F.2d 1343 (3d. Cir. 1987), *cert. granted sub nom. Pennsylvania v. Union Gas Co.*, 108 S. Ct. 1219 (1988), in which oral argument was heard on October 31, 1988.

(1987). (858 F.2d at 1397; App. at A8-A9.) Petitioner BV Engineering argued that a lesser showing of Congressional intent to abrogate eleventh amendment immunity should suffice for legislation with the characteristics of the Copyright Act of 1976 (*see* discussion, *infra*, at I.) Although the Ninth Circuit found that argument "compelling," the court felt constrained to apply the stricter standard enunciated in *Atascadero* and *Welch*. *Id.* The Court also rejected amici curiae's alternative argument that the State of California had waived its eleventh amendment immunity. (858 F.2d at 1398; App. at A9-A11).

REASONS FOR GRANTING WRIT

I

THIS COURT HAS NEVER ADDRESSED THE APPLICABILITY OF ELEVENTH AMENDMENT IMMUNITY TO A CLAIM FOR WHICH EXCLUSIVE JURISDICTION RESTS IN THE FEDERAL COURTS AND STATE LAW REMEDIES HAVE BEEN PREEMPTED

This Court has announced a stringent test for determining whether legislation abrogates eleventh amendment immunity; abrogation cannot be found unless the language of the statute makes the intent to abrogate "unmistakably clear." *Welch*, 107 S. Ct. at 2944-45; *Atascadero*, 473 U.S. at 242-43. However, as the Ninth Circuit recognized, this Court has never determined what the test for abrogation would be where the legislation vests exclusive jurisdiction in the federal courts. (858 F.2d at 1397; App. at A8).

In particular, this Court has never upheld eleventh amendment immunity to a claim for damages where Congress has vested exclusive jurisdiction over that claim in the federal courts and preempted comparable state remedies. In each case in which this Court has applied the strict construction/unequivocal expression test, a state forum existed in which plaintiff could obtain relief. *See, e.g., Welch*, 107 S. Ct. at 2953 n.19; *Atascadero*, 473 U.S. at 240 n.2; *Employees v. Missouri Public Health Dept.*, 411 U.S. 279, 287, 293-94 (1973); *Parden v. Terminal Railway*, 377 U.S. 184, 190 (1964). Indeed, in these cases, this Court has specifi-

cally noted that the effect of the eleventh amendment would be to preclude only the use of the federal forum—not to preclude the remedy entirely.

For example, in *Welch*, this Court recognized that the plaintiff was "not without remedy" because she could file a state law worker's compensation claim against the state in lieu of a Jones Act claim. *Welch*, 107 S. Ct. at 2953 n.19. Similarly, in *Atascadero*, this Court explained that immunity from suit in federal court under the Rehabilitation Act would not exempt the states from compliance with the law because they would still be subject to suit in state court. *Atascadero*, 473 U.S. at 240 n.2. In *Employees*, this Court noted that its holding did not render the Federal Labor Standards Act meaningless because the Secretary of Labor could sue the state employers in federal court and the state employees could themselves seek relief under the statute in state court. *Employees*, 411 U.S. at 287. Thus, the issue in the Court's previous eleventh amendment opinions has been "merely the susceptibility of the states to suit before *federal tribunals*," *Atascadero*, 473 U.S. at 420 n.2 (emphasis in original), and not whether the states would be entirely immune from a suit for damages.

The complete elimination of the copyright damage remedy against the states sets this case apart from all of this Court's previous eleventh amendment decisions. Congress provided that the federal courts shall have *exclusive* jurisdiction over copyright infringement suits. 28 U.S.C. § 1338(a). The Copyright Act, moreover, preempts all state laws that "are equivalent to any of the exclusive rights within the general scope of copyright." 17 U.S.C. § 301(a). Since an action in federal court is the exclusive method to obtain relief for copyright infringement, upholding the eleventh amendment bar eliminates *all* damage suits against infringing states. Thus, the choice in this case is not between the federal forum and the state forum—but rather it is between the federal forum and *no* forum. For this reason, the Copyright Act stands in sharp contrast to the statutes this Court considered in the cases in which it has enunciated the strict construction/unequivocal expression rule.

Certiorari should be granted to address the issue of eleventh amendment immunity from a claim authorized by federal legislation, such as the Copyright Act, where exclusive jurisdiction rests in the federal courts. This is an important constitutional question of first impression. In addition, in the absence of an early and definitive ruling by this Court, the decision of the Ninth Circuit will have an immediate and drastic impact on the interests of hundreds of thousands of copyright proprietors whose livelihood depends on the effective enforcement of the copyright laws, as well as the fifty states and their affiliated institutions.

II

THE NINTH CIRCUIT'S DECISION RAISES IMPORTANT ISSUES OF NATIONAL CONSEQUENCE WHICH REQUIRE RESOLUTION

After this Court's decision in *Atascadero*, 473 U.S. 234, an increasing number of courts have been dismissing copyright damage actions against states and their agencies on the ground that the eleventh amendment bars such actions.[2] These decisions, as well as the decision below, eliminate the only effective remedy for copyright infringement. Although injunctive relief is still available, that relief alone is not adequate. Unlike damages,

---

[2] The eleventh amendment bar to a copyright claim has also been upheld in the following cases: *Lane v. First Nat'l Bank of Boston*, 687 F. Supp. 11 (D.C. Mass. 1988), *appeal pending*, No. 88-1815 (1st Cir. 1988) (use of copyrighted computer program); *Richard Anderson Photography, Inc. v. Brown*, 852 F.2d 114 (4th Cir. 1988), *cert. pending*, No. 88-651, (use of copyrighted photographs in university publications); *Woelffer v. Happy States of America, Inc.*, 626 F. Supp. 499 (N.D. Ill. 1985) (use of copyrighted slogan in advertising campaign); *Cardinal Industries, Inc. v. Anderson Parrish Assocs., Inc.*, No. 83-1038- Civ.-T-13 (M.D. Fla. Sept. 6, 1985) (unreported), *aff'd without opinion*, 811 F.2d 609 (11th Cir. 1987) (use of copyrighted architectural drawings in dormitory construction), *cert. denied sub nom. Cardinal Industries, Inc. v. King*, 108 S. Ct. 88 (1987); *Mihalek Corp. v. Michigan*, 595 F. Supp. 903 (E.D. Mich. 1984), *aff'd on other grounds*, 814 F.2d 290 (6th Cir.), *cert. denied*, 108 S. Ct. 503 (1987) (use of copyrighted material in state tourism campaign).

injunctions do not deter copyright infringement. By their nature, injunctions merely "forestall future violations." *United States v. Oregon State Medical Society*, 343 U.S. 326, 333 (1952). In addition, injunctions do not compensate aggrieved copyright owners for past infringements or for markets that have been substantially eroded, if not destroyed. Indeed, in most instances, injunctive relief is illusory. For example, the life span of much of today's music, video games and computer programs is limited; by the time an unauthorized use is discovered and an injunction is obtained, the works have lost their value and enjoining future use is of little consequence. Moreover, for most copyright owners, the cost of injunctive relief is prohibitive since there is no opportunity to collect damages for past infringement or costs and attorneys' fees. Thus, as the Ninth Circuit recognized, leaving copyright owners with the imperfect remedy of injunctions allows "states to violate the federal copyright laws with virtual impunity." (858 F.2d at 1400; App. at A13).

The impact on copyright owners is alarming.[3] States and their hundreds of instrumentalities and agencies are prodigious users of copyrighted works. From textbooks and training manuals to films, photographs, records and songs, videos and computer software, copyrighted works play an integral role in the states' performance of their educational, health care, law enforcement and administrative functions.

Nevertheless, the decision of the Ninth Circuit allows the states and their affiliated institutions to appropriate these creative and scientific works without permission, without payment and without any motivation to comply with the copyright laws. For example, if allowed to stand, the decision of the Ninth Circuit would permit a state university to purchase one copy of a computer program and provide unlimited copies to each of its

---

[3] Indeed, the Ninth Circuit's decision jeopardizes the rights of all who make their living from intellectual property, including patent proprietors. Federal jurisdiction over patent cases is exclusive, 28 U.S.C. § 1338(a), and all similar state law is preempted. *See, e.g., Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 229 (1964). Thus, as in the copyright area, the eleventh amendment bar eliminates all patent damage suits entirely.

students. Such an outcome would be financially devastating to authors of copyrighted works and threatens the future of emerging intellectual property industries.[4] As the Register of Copyrights recognized in a recent report to Congress on this issue, "copyright proprietors have demonstrated they will suffer immediate harm if they are unable to sue infringing states in federal court." Register of Copyrights, Copyright Liability of States and the Eleventh Amendment (June 1988) (hereinafter "Copyright Office Report"), at 103. In addition, because the elimination of the damage

---

[4] The widespread concern among copyright owners is demonstrated by the fact that, in response to a request by the Copyright Office for comments on the issue of eleventh amendment immunity and the Copyright Act, comments were submitted by each of the following:

Congressional Information Service, Inc.; National Federation of Abstracting & Information Services; The Foundation Press, Inc.; Dun & Bradstreet, Inc; Newsletter Association; Intellectual Property Owners, Inc.; Data Retrieval Corporation; McGraw-Hill Inc.; Association of American Publishers, Inc. and Association of American University Presses, Inc; Harcourt Brace Jovanovich, Inc. (Peter Jovanovich); Cambridge Scientific Abstracts; Lotus Development Corporation; Motion Picture Assoc. of America, Inc.; Harcourt Brace Jovanovich, Inc. (Richard Udell), addenda: (a) Holt, Rinehart and Winston, Inc. School Division (Bob Blevins), (b) The Psychological Corporation, (c) Academic Press, Inc. (Stephen A. Dowling), (d) Academic Press, Inc. (David Swanson), (e) Harcourt Brace Jovanovich (Bill M. Barnett); Broadcast Music, Inc.; West Publishing Company; The National Music Publishers' Association, Inc.; The Music Publishers' Association of the United States, Inc. and The Songwriters Guild of America; Houghton Mifflin Company; American Society of Composers, Authors and Publishers; Inmagic, Inc.; Dialog Information Services, Inc.; American Journal of Nursing Company; Information Industry Association; International Business Machines Corporation; F&W Publications, Inc.; American Intellectual Property Law Association; Heesch & Kelly; Holt, Rinehart and Winston, Inc. (David Dusthimer); DataTimes; ADAPSO, The Computer Software and Services Industry Association; Massachusetts Computer Software Council; VU/Text Information Services, Inc.; National Association of Broadcasters; SESAC, Inc. (Eugene L. Girden).

See Register of Copyrights, *Copyright Liability of States and the Eleventh Amendment* (1988), at 7-17.

remedy significantly diminishes the value of copyrights, it necessarily diminishes the economic incentive of copyright proprietors to create. Indeed, in those intellectual property industries, such as the educational publishing industry, that depend heavily upon the patronage of states and their agencies, there will be little, if any, economic incentive to create.

If allowed to stand, the Ninth Circuit's decision will also adversely impact the fifty states and their affiliated institutions. With the fear of widespread copying of their works, copyright owners will be reluctant to market to states and their agencies. At best, they will closely monitor their sales to the states. Moreover, the judicially sanctioned subsidy to state entities will likely raise prices for copyrighted works for both the states and other users.

The Ninth Circuit's decision is particularly troubling since it upsets the widespread expectation of copyright owners that states are subject to copyright damage suits. In particular, the decision is at odds with the Ninth Circuit's previous ruling in *Mills Music*, 591 F.2d 1278 (9th Cir. 1979). In that case, the Ninth Circuit concluded that abrogation of a states' eleventh amendment immunity is inherent in the Copyright and Patent Clause and the Copyright Act:

> [A] state may not, consistent with the Constitution, infringe the federally protected rights of the copyright holder, and thereafter avoid the federal system of statutory protections. The "exclusive Rights" of an author, guaranteed under the Constitution and Copyright Act, would surely be illusory were a state permitted to appropriate with impunity the rights of a lawful copyright holder. Accordingly, we conclude that the Eleventh Amendment's sovereign immunity does not permit a state to nullify the rights reserved and protected by Congress, acting pursuant to the Copyright and Patent Clause.

591 F.2d at 1286.

Although the Ninth Circuit has now concluded that *Mills Music* has been "overruled *sub silentio*" by this Court's decisions in *Atascadero* and *Welch*, (858 F.2d at 1398 n.1; App. at A9), the ruling in *Mills Music* has been applied elsewhere, *see, e.g.*,

Johnson v. University of Virginia, 606 F. Supp. 321, 323-24 (W.D. Va. 1985), and has been endorsed by the commentators. *See, e.g.*, 3 M. Nimmer & D. Nimmer, *Nimmer on Copyright* § 12.01[E], at 12-21 (1986) ("The better view was expressed in *Mills Music* . . . , which squarely held that a state is not exempt from liability under the Copyright Act by reason of the Eleventh Amendment"); Note, *The Applicability of the Eleventh Amendment Immunity Under the Copyright Acts of 1909 and 1976*, 36 Am. U.L. Rev. 163, 183 (1986) ("the analysis in *Mills Music* . . . represent[s] a closer reading of the statutory language and intent, and [is] more consistent with the goals of copyright.").

Moreover, until recently, states have assumed that they are subject to suit and liable for damages under the Copyright Act. A number of state Attorneys General have advised state agencies that they are liable under the federal copyright statute.[5] As the Register of Copyrights recognized, states have "traditionally recognized the rights of copyright owners and have paid royalties for their use of copyrighted works." 52 Fed. Reg. 42,045 (November 2, 1987).

Finally, the Ninth Circuit's decision in this action is directly at odds with the conclusion of the Copyright Office, which has concluded that "Congress intended to hold states responsible under the Federal Copyright Law." *See* Copyright Office Report at 103. Because this Court ordinarily defers to the Copyright Office in matters relating to the interpretation of the Copyright Act, *DeSylva v. Ballantine*, 351 U.S. 570, 577-78 (1956); *see also Cablevision Systems Development Company v. Motion Picture Association of America, Inc.*, 836 F.2d 599, 609-10 (D.C. Cir.), *cert. denied*, 108 S. Ct. 2901 (1988), the decision below assumes even greater importance. *See Morton v. Ruiz*, 415 U.S. 199, 201-02 (1974); *Patterson v. Lamb*, 329 U.S. 539, 541 (1947).

---

[5] *See, e.g.*, 366 Inf. Op. Att'y Gen. Alaska 404 (1982); 71 Op. Att'y Gen. Cal. 16 (1988); 65 Op. Att'y Gen. Cal. 106 (1982); 64 Op. Att'y Gen. Cal. 186 (1981); 81 Slip Op. Att'y Gen. Kan. 202 (1981); 84 Slip Op. Att'y Gen. La. 436 (1985); 82 Slip Op. Att'y Gen. La. 662 (1982); 1987 Copyright L. Rep. (CCH) § 26,240 (Ohio Attorney General); 82 Slip Op. Att'y Gen. Utah 3 (1982).

Consideration by this Court of the states' immunity to damage actions under the Copyright Act is essential. The precedent set by the Ninth Circuit's decision, as well as similar recent decisions elsewhere, jeopardizes the rights of hundreds of thousands of copyright proprietors.[6] In addition, it upsets the widespread expectation of copyright owners based upon previous judicial authority, and it is at odds with conclusion of numerous state Attorneys General and the Copyright Office.

III

THE *ATASCADERO/WELCH* RULE FOR DETERMINING CONGRESSIONAL INTENT TO ABROGATE THE STATES' ELEVENTH AMENDMENT IMMUNITY DOES NOT APPLY TO THE COPYRIGHT ACT OF 1976[7]

The Copyright Act is different from the legislation reviewed in this Court's eleventh amendment opinions in which the strict

---

[6] The importance of the issue presented by this petition is shown by the fact that briefs were filed in the Ninth Circuit, and in the Fourth Circuit with respect to the *Richard Anderson Photography, Inc. v. Brown* case, by the following *amici curiae*: American Intellectual Property Law Association; American Society of Composers, Authors and Publishers; Association of American Publishers; Association of American University Presses, Inc.; Broadcast Music, Inc.; Information Industry Association; Music Publishers' Association of the United States, Inc.; National Music Publishers' Association, Inc.; and Songwriters Guild of America.

[7] The Petition for Certiorari which has been filed with respect to the Fourth Circuit's opinion in *Richard Anderson Photography, Inc. v. Brown*, 852 F.2d 114 (4th Cir. 1988), presents the same question as does the present Petition. Petition for a Writ of Certiorari to the United States Court of Appeals for the Fourth Circuit, No. 88-651. However, the *Richard Anderson* court did not address the distinction between the Copyright Act and the statutes involved in this Court's previous eleventh amendment opinions. Similarly, the Fourth Circuit never considered the argument that the *Atascadero/Welch* strict scrutiny standard does not apply to the Copyright Act, presumably because it was not raised by the petitioner below. Thus, this Petition raises an important and novel issue that is not raised in the Petition in *Richard Anderson*. For this reason,

construction/unequivocal expression rule was applied. Unlike the other legislation, the Copyright Act was enacted pursuant to a limited grant of authority, the Copyright and Patent Clause. In addition, subjecting states to damage suits under the Copyright Act does not implicate either the balance of power between the jurisdiction of state and federal courts or the fiscal policy behind the eleventh amendment. These distinctions compel the conclusion that a less specific showing of congressional intent to abrogate eleventh amendment immunity than that required by *Atascadero* and *Welch* should suffice to find such abrogation in the Copyright Act.

The statutes reviewed in the cases in which this Court has required strict construction when assessing congressional intent to abrogate were enacted pursuant to broad grants of congressional power. *See Atascadero*, 473 U.S. at 245 (Rehabilitation Act of 1973, 29 U.S.C. §§ 701 *et seq.*, enacted pursuant to section five of the fourteenth amendment); *Welch*, 107 S. Ct. at 2947 & n.5 (Jones Act, 46 U.S.C. § 688, enacted pursuant to either the commerce clause or necessary and proper clause); *Pennhurst State School & Hospital v. Halderman*, 465 U.S. 332, 345 (1979) (42 U.S.C. Section 1983 enacted pursuant to the fourteenth amendment); *Employees*, 411 U.S. at 285 (Fair Labor Standards Act, 29 U.S.C. §§ 201-219, enacted pursuant to the commerce clause). The stringent test for determining Congressional intent serves to prevent such legislation from growing to "vast proportions in its applications." *See Employees*, 411 U.S. at 285. In contrast, the Copyright Act was enacted pursuant to a specific and narrow grant of Constitutional power, the Copyright and Patent Clause. That clause gives Congress the power "to promote the Progress of Science and Useful Arts by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries. . . ." U.S. Const. art. I, § 8, cl. 8. Since this is an explicit and narrow mandate to Congress to provide authors with a monopoly for their works, there is little risk of unchecked growth; the clause is inherently limited. Accordingly, the rationale for the rule of strict construction does not

---

certiorari should be granted in the instant case even if this Court grants review in *Richard Anderson*.

obtain and a lesser showing of Congressional intent should suffice to find abrogation of eleventh amendment immunity in legislation enacted pursuant to the Patent and Copyright Clause.

In addition, the policies behind the eleventh amendment are not implicated in this case. Behind the eleventh amendment is a concern for maintaining a balance of power between state and federal courts. *Atascadero*, 473 U.S. at 242; *see also Employees*, 411 U.S. at 285. In determining whether the states' immunity has been abrogated, the federal courts themselves decide "whether their own jurisdiction has been expanded." *Id.* As the Ninth Circuit recognized, "a holding that Congress has abrogated immunity in the Copyright Act could not expand the jurisdiction of the federal courts" because the federal courts already have exclusive jurisdiction over copyright actions, 28 U.S.C. § 1338(a), and all equivalent state law is preempted. 17 U.S.C. § 301(a). 858 F.2d at 1400. (App. at A13.) Thus, the threat of federal encroachment on state authority, which is the major rationale for *Atascadero*'s strict standard of scrutiny, is absent in copyright cases. Accordingly, a federal court need not be reluctant to find congressional intent to abrogate the states' immunity in the Copyright Act. *See* Note, *The Applicability of Eleventh Amendment Immunity Under The Copyright Acts of 1909 and 1976*, 36 Am. U.L. Rev. 163, 187-88 (1986).

Another policy behind the eleventh amendment is to protect states from new or enormous financial burden. *Employees*, 411 U.S. at 284-85; *Hutto v. Finney*, 437 U.S. 678, 708 (1978) (Powell, J. dissenting); *Edelman, Director, Dept. of Public Aid of Illinois v. Jordan*, 415 U.S. 651, 666-68 (1974). Since states are not required to use copyrights—and are certainly not required to infringe copyrights—subjecting them to monetary damages for infringement should create no burden whatsoever. Moreover, states have no compelling governmental need to infringe copyrights; on those occasions when states must use protected works, they need only pay royalties or licensing fees—as private persons, corporations, cities and counties, and the United States would be obliged to do in similar circumstances. Thus, as the Ninth Circuit recognized, the states can avoid the fiscal burden of damage

actions "simply by complying with the federal copyright laws." 858 F.2d at 1400. (App. at A12.)

There is no justification for applying a strict standard of scrutiny when assessing congressional intent to abrogate, where, as here, the policies behind the eleventh amendment are not implicated. Moreover, immunizing the states from damage suits for copyright infringement threatens to undermine the constitutional and statutory scheme governing copyright law. By ratifying the Patent and Copyright Clause, the states relinquished their sovereign power in the area of copyrights and patents. *Cf. Employees*, 411 U.S. at 288-89 (Marshall J., concurring). As drafted by the Framers, the Copyright and Patent Clause envisioned *exclusive* rights which even the states cannot infringe. *See* U.S. Const. art. I, § 8, cl.8. In *Goldstein v. California*, 412 U.S. 546 (1973), this Court recognized the limited monopoly granted by Congress to copyright owners was an exclusive right that even the states cannot infringe:

> When Congress grants an exclusive right or monopoly, its effects are pervasive; *no citizen or State* may escape its reach.

Id. at 560 (emphasis added). If, however, as the Ninth Circuit held, states are immune from copyright damage suits, they *have* indeed "escaped [the] reach" of the exclusive copyright monopoly. The Ninth Circuit's decision undermines the monopoly that the Constitution explicitly authorized Congress to grant to authors for their works.

By applying the *Atascadero/Welch* strict standard of scrutiny, the Ninth Circuit has permitted the states to raise the eleventh amendment as a bar to federal court jurisdiction where the federal court is the only available forum to vindicate a federally created right. As stated above, this Court's previous eleventh amendment opinions do not mandate such a result: the heightened standard of scrutiny to ascertain congressional intent to abrogate does not apply to the Copyright Act. However, even if the heightened standard of scrutiny is applied, Congress did express unequivocally in the Copyright Act its intent to abrogate state immunity.

IV

THE COPYRIGHT ACT OF 1976 UNEQUIVOCALLY EXPRESSES CONGRESSIONAL INTENT TO ABROGATE THE STATES' ELEVENTH AMENDMENT IMMUNITY

Even if the strict scrutiny test of *Atascadero* and *Welch* were applicable to the Copyright Act, congressional intent to subject states to federal court jurisdiction in copyright infringement cases is unequivocal and unmistakably clear. The Ninth Circuit's conclusion to the contrary cannot be reconciled with the statutory authorization for suit against "anyone" who infringes copyrights, the specific statutory exemptions for state activities, the extensive legislative history that focused on the issue of state liability for infringement, and the fact that Congress preempted equivalent state rights and made jurisdiction for infringement actions exclusive to the federal courts.

Section 501 of the Copyright Act of 1976 provides a cause of action for infringement against "[a]nyone who violates the exclusive rights of the copyright owner." 17 U.S.C. § 501(a). The Ninth Circuit concluded that this general authorization for suit in federal court is not the kind of unequivocal statutory language sufficient to abrogate the Eleventh Amendment. 858 F.2d at 1398. (App. at A10.)[8] However, unlike the statutes involved in this Court's previous eleventh amendment opinions,[9] the Copy-

---

[8] Use of the term "anyone" in the Copyright Act of 1976 is, at a minimum, indicia of Congress' intent to include states within the class of defendants subject to suit. The 1909 Act used the term "any person." Since the term "anyone" is broader, the change in terminology is an indication of congressional intent to broaden the class of potential defendants to include states.

[9] In those cases in which this Court upheld the eleventh amendment immunity bar, congressional intent to abrogate in the scrutinized legislation could only be inferred from the general authorization for suit in federal court. *See, e.g., Welch*, 107 S. Ct. at 2944 (provision in Jones Act extending protection to "any seaman"); *Atascadero*, 473 U.S. at 245-46 (Section 505 of the Rehabilitation Act providing remedies for violations by "any recipient of Federal Assistance"); *see also Employees*, 411 U.S. at 285.

right Act of 1976 contains at least eight provisions that specifically exempt states from liability for copyright infringement when they undertake specified activities. These exemption provisions express in unmistakable language congressional intent to bring the states within the reach of the Copyright Act and to render them liable as infringers in the same manner as all infringers. The Ninth Circuit's dismissal of these provisions as "ambiguous" and "subject to more than one reasonable interpretation" (858 F.2d at 1399; App. at A11) is seriously flawed.[10]

Two provisions of the Copyright Act of 1976 refer explicitly to states. Section 602(a) provides that importation of copies or phonorecords of a copyrighted work constitutes an infringement actionable under Section 501. 17 U.S.C. § 602(a). Subsection (1) exempts from this provision the "importation . . . under the authority of or for the use of . . . any "*State or political subdivision of a state*," but not including "copies or phonorecords for use in schools, or copies of any audiovisual work imported for purposes of other than archival use." 17 U.S.C. § 602(a)(1) (emphasis added).

Similarly, prior to July 1, 1986, Section 601(a) prohibited the importation of certain foreign-produced materials. Section 601(b)(3) provided an exemption "where importation is sought under the authority of or for the use, other than in schools, of *any State or political subdivision of a State*." 17 U.S.C. § 601(b)(3) (emphasis added). The enactment of these specific exemptions proves that Congress intended that the states be liable for otherwise infringing activities under the Copyright Act. Unless states were generally liable, there was no reason for Congress to provide exemptions for certain state activities. In *Patsy v. Board of Regents*, 457 U.S. 496 (1982), this Court employed similar reasoning to hold that exhaustion of state administrative remedies is not a general prerequisite to suit under 42 U.S.C. Section 1983. In *Patsy*, this Court reasoned that a separate and later statute

---

[10] The Ninth Circuit correctly concluded, as did the Fourth Circuit in *Richard Anderson Photography*, 852 F.2d at 118, that the "inquiry . . . must consider . . . the statutes as a whole." 858 F.2d at 1398. (App. at A10.)

which created a "specific, limited exhaustion requirement for adult prisoners" (457 U.S. at 508), "make[s] sense, and [is] not superfluous," only if Congress intended that there be no general requirement of administrative exhaustion. *Patsy*, 457 U.S. at 512. Similarly, the exemptions in the Copyright Act for state activity "make sense, and are not superfluous," only if Congress intended to abrogate state immunity and subject states to suit for copyright infringement in all circumstances not covered by the exemptions.

Despite the unequivocal language in Sections 601 and 602, the Ninth Circuit held that they were "subject to more than one reasonable interpretation." The Ninth Circuit held that these provisions could be read, as the Fourth Circuit had in *Richard Anderson*, as "exempting from liability only those private persons or public officials acting in their individual capacity who import copyright materials under governmental authority or for governmental use." 858 F.2d at 1399 (App. at A11); *see also Richard Anderson*, 852 F.2d at 120.

In his dissenting opinion in *Richard Anderson*, Judge Boyle made short shrift of that proposed interpretation:

> This restrictive interpretation, however, produces an anomalous result; state governments are immune under the eleventh amendment, state officials are immune under § 602, local governments are not immune at all, and local officials are immune under § 602. This crazy quilt of liability and immunity cannot be what Congress intended.
>
> A more logical and natural interpretation of § 602 is that it exempts federal, state and local governments and their officials acting in their official capacity. Officials acting in their official capacity are exempted by the language reading "under the authority . . . of . . . ." in § 602(a)(1). The governments, federal, state and local, are exempted by the language reading "for the use of . . . ."

852 F.2d at 127 (Boyle, J. dissenting).

Other provisions of the Copyright Act that carve out specific exemptions for state activities use the term "governmental bodies." In particular, eight sections of the Act exempt "governmen-

tal bodies" from liability for certain clearly enunciated activities that would otherwise subject them to a suit for infringement. *See* 17 U.S.C. §§ 110(2), (6) and (8), 111(a)(4), 112(b), (c) and (d), and 118(d)(3). If Congress had intended the states to be immune from suit for every kind of infringement, then the carefully worded—and in some cases extensively debated—exemptions would have been nonsensical. Nevertheless, the Ninth Circuit held that the term "governmental bodies" was "ambiguous" and could be read, as the Fourth Circuit did in *Richard Anderson*, as "applicable only to local governments or to actions by governmental officials." 858 F.2d at 1399 (App. at A12); *see also Richard Anderson*, 852 F.2d at 119.

The crabbed reading of the phrase "governmental bodies" by the Ninth Circuit cannot be reconciled with the whole text of the Copyright Act or the extensive legislative history of the Act. In accepting the Fourth Circuit's proposed interpretation of the term "governmental bodies," the Ninth Circuit read the exemptions as if they existed in a vacuum.[11] As Judge Boyle explained in his dissent in *Richard Anderson*, several parts of the Act make clear

---

[11] The Ninth Circuit seems to have ignored its own directive that "in interpreting a statute [the Court] must consider each provision in the context of the statute as a whole." 858 F.2d at 1398 (App. at A10). Indeed, in *Hutto v. Finney*, 437 U.S. 678, 694 (1978), this Court concluded that language less precise than that of the Copyright Act of 1976 adequately expressed Congressional intent to abrogate Eleventh Amendment immunity when the legislative history revealed that Congress considered the question and intended to include States. The Seventh Circuit reached the same conclusion about the bankruptcy laws in *Matter of McVey Trucking, Inc.*, 812 F.2d 311 (7th Cir.) *cert. denied sub nom. Edgar v. McVey Trucking*, 108 S. Ct. 227 (1987) after examining the full text of the statute as well as its legislative history. Indeed, if the canon of construction in *Atascadero* prevented a federal court from allowing claims against the state in situations where all the circumstances suggest that Congress intended such a claim, the canon of construction would itself be unconstitutional. A court is obliged to implement the plain intent of Congress, regardless of how that intent is conveyed, as part of the fundamental constitutional balance between the legislature and the judiciary. *See Matter of McVey Trucking, Inc.*, 812 F.2d at 325.

that the term "governmental bodies" refers to governmental entities, and not merely to their officials or employees. In particular, Section 110(2) exempts from liability the transmission of a performance or display of nondramatic literary or musical works if the recipients are "officers or employees of governmental bodies." 17 U.S.C. § 110(2)(iii). Thus, Congress knew how to limit an exemption to "officers or employees of governmental bodies" when it intended to do so. *Richard Anderson*, 852 F.2d at 128. In addition, the text of Section 110(6), the so-called "state fair exemption," makes clear that the exemption from liability extends only to governmental entities and not to their officials or employees. 17 U.S.C. § 110(6).

Moreover, the legislative history of the Copyright Act leaves no doubt that the phrase "governmental bodies" was intended by Congress to include states. For example, in discussing the exemption of Section 602 which includes "*any State or political subdivision of a State* . . ." (17 U.S.C. § 602; emphasis added), the House Report paraphrases that language as "*governmental body*." H.R. Rep. No. 1476, 94th Cong., 2d Sess. at 169-170 (emphasis added); *see also* House Comm. on the Judiciary, *Copyright Law Revision*, "Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law," 87th Cong., 1st Sess. at 129 (Comm. Print July 1961) (expressly noting that the law contained "nothing to prevent governmental bodies, *at least of the States* from securing copyrights. . . ." Emphasis added.).

The legislative history of the Copyright Act of 1976 also abounds with instances in which Congress meticulously examined the extent to which states used copyrighted works and the limited instances in which states should be exempt from liability. For example, there was lengthy debate regarding the use of copyrighted music at state fairs and whether that use should be covered by a specific exemption in the Act.[12] Similarly, there was

---

[12] *Copyright Law Revision: Hearings on S. 597 Before the Subcomm. on Patent, Trademarks and Copyrights of the Senate Comm. on the Judiciary*, 90th Cong., 1st Sess. at 31, (1967) (letter of Sen. Frank J. Lausche); *Id.* at 625 (statement of William B. Hartsfield, President Southeastern Fair Ass'n); *Id.* at 632-36 (statement of William T.

extensive testimony regarding the request for an exemption permitting limited uses of copyrighted materials by libraries and by public radio and television stations, including those owned by state institutions.[13] During these extensive debates, no one questioned that state instrumentalities would otherwise be liable for infringement under the Act in the absence of these exemptions.

Finally, the statutory scheme of the Copyright Act also evidences Congress' intent to include states within the class of defendants amenable to suit for copyright infringement. Section 106 grants to copyright owners exclusive rights subject to carefully crafted exemptions. The Copyright Act preempts all state

---

Collins, President, Outdoor Amusement Business Ass'n, Inc.); *Id.* at 1337 (letter from Sen. Jennings Randolph); *Id.* at 1338 (letter from C. T. Sydenstricker, Secretary-Manager, State Fair of West Virginia).

[13] *Copyright Law Revision: Hearings on H.R. 4347, H.R. 5680, H.R. 6831, H.R. 6835 Before Subcomm. No. 3 of the House Comm. on the Judiciary*, 89th Cong., 1st Sess. at 459-64 (1965) (statement of Dr. Charles F. Gosnell, Chairman, Comm. on Copyright Issues, Am. Library Ass'n); *Copyright Law Revision: Hearings on S. 1361 before the Subcomm. on Patents, Trademarks and Copyrights of the Senate Comm. on the Judiciary*, 93rd Cong., 1st Sess. at 97-98 (1973) (statement of Stephen A. McCarthy, Exec. Dir., Ass'n of Research Libraries); *Id.* at 100- 01 (statement of Dr. Edmon Low, Chairman, Copyright Subcomm. of Am. Library Ass'n; *Copyright Law Revision: Hearings on H.R. 2223, Subcomm. on Courts, Civil Liberties and the Admin. of Justice of the House Comm. on the Judiciary*, 94th Cong., 1st Sess. at 213 (1975) (statement of Frank McKenna, Exec. Director, Special Libraries Ass'n).

See also Copyright Law Revision, Preliminary Draft for Revised U.S. Copyright Law and Discussions and Comments on the Draft, House Comm. on the Judiciary, Part 3, 88th Cong., 2nd Sess. at 144-46 (1964) (statement of Eugene N. Aleinikoff, General Counsel, Nat. Educ. Television and Radio Center); *Copyright Law Revision: Hearings on S. 597 Before the Subcomm. on Patent, Trademarks and Copyrights of the Senate Comm. on the Judiciary*, 90th Cong., 1st Sess. at 991-96 (1967) (statement of Edwin G. Cohen, Exec. Dir., Nat'l Center for School and College Television); *Id.* at 1003-1022 (statement of Chalmers H. Marquis, Exec. Dir., Educ. Television Stations, Nat'l Ass'n of Educ. Broadcasters).

laws that might provide equivalent relief, 17 U.S.C. § 301, and Congress has closed the state courts to enforcement of copyrights by placing exclusive jurisdiction in the federal court. 28 U.S.C. § 1338(a). The federal government is liable for infringement under the Copyright Act, 28 U.S.C. § 1498, and the Copyright Act permits the states themselves to obtain copyright protection. Given the pervasiveness of the statutory scheme protecting copyrights, it is inconceivable that Congress intended to leave claimants without a meaningful remedy against as large a class of potential infringers as the states and their agencies.

Thus, the statutory authorization for suit against "anyone" who infringes copyrights, the specific exemptions for state activities, the extensive legislative history, as well as the grant of exclusive federal court jurisdiction and broad preemption, make clear that Congress intended to create a cause of action in the Copyright Act against the states for infringement. This Court should grant certiorari to make it clear that *Atascadero* and *Welch* do not mandate the opposite conclusion reached by the Ninth Circuit.

CONCLUSION

For the foregoing reasons, a writ of certiorari should issue.

Dated: December 30, 1988

Respectfully submitted,

By MICHAEL A. LADRA
(Counsel of Record)
WILSON, SONSINI, GOODRICH
& ROSATI
Two Palo Alto Square
Suite 900
Palo Alto, CA 94306
(415) 493-9300

Attorney for Petitioner

NINA F. LOCKER
LEO P. CUNNINGHAM
WILSON, SONSINI, GOODRICH & ROSATI
Two Palo Alto Square
Suite 900
Palo Alto, CA 94306
(415) 493-9300

Of Counsel

Appendix A

FOR PUBLICATION

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

BV ENGINEERING, *Plaintiff-Appellant,* v. UNIVERSITY OF CALIFORNIA, LOS ANGELES, *Defendant-Appellee.*	No. 87-5920 D.C. No. CV-86-4708-HLH OPINION

Appeal from the United States District Court
for the Central District of California
Harry L. Hupp, District Judge, Presiding

Argued and Submitted
March 8, 1988—Pasadena, California

Filed October 3, 1988

Before: Harry Pregerson, Charles Wiggins and
Melvin Brunetti, Circuit Judges.

Opinion by Judge Pregerson

SUMMARY

Copyright, Patent and Trademark/State Government

The court affirmed the district court's order granting summary judgment barring this copyright infringement action against the University of California under the eleventh amendment.

BV Engineering commenced an action for copyright infringement under § 501 of the Copyright Act of 1976, 17 U.S.C. §§ 101-810 against the University of California, Los Angeles. The district court granted summary judgment for the University because the eleventh amendment barred BV's copyright infringement action against the University, which is considered to be an instrumentality of the state of California and enjoys the same immunity as California.

[1] The United States Supreme Court has reserved judgment on the question whether Congress intended to abrogate the states' eleventh amendment immunity under the Copyright Act of 1976. [2] Because the issue is pending before the Supreme Court, this court declined to reach it. However, the court assumed, without deciding, that Congress failed to abrogate the states' eleventh amendment immunity when acting under the Copyright Act of 1976. [3] The court concluded that § 501 of the Copyright Act did not indicate a Congressional intent to subject unconsenting states to suit for damages in federal court. [4] The court would require unequivocal and specific language in the Copyright Act indicating an intent to subject states to suit in federal court.

COUNSEL

Michael A. Ladra, Nina F. Locker, Leo P. Cunningham, Wilson, Sonsini, Goodrich & Rosati, Palo Alto, California, for the plaintiff-appellant.

James E. Holst, George L. Marchand, Allen B. Wagner, University of California, Berkeley, California, for the defendant-appellee.

Peter L. Felcher, Steven B. Rosenfeld, Marjorie L. Van Dercook, Paul, Weiss, Rifkind, Wharton & Garrison, New York, New York; Shirley M. Hufstedler, Hufstedler, Miller, Carlson

& Beardsley, Los Angeles, California; Michael A. Cardozo, Proskauer, Rose, Goetz & Mendelsohn, New York, New York, for the amici curiae.

OPINION

PREGERSON, Circuit Judge:

BV Engineering sued the University of California, Los Angeles for copyright infringement. The district court granted summary judgment against BV Engineering on the ground that the eleventh amendment bars actions against the University of California under the Copyright Act of 1976. We affirm.

I

BV Engineering ("BV") creates and sells computer programs. In 1986, the University of California, Los Angeles ("the University") purchased one copy each of seven copyrighted computer programs sold by BV, with the accompanying user manuals. The University then made three copies of each program, and ten copies of each user manual.

In July 1986, BV commenced this action against the University. BV asserted various causes of action, including one for copyright infringement under section 501 of the Copyright Act of 1976, 17 U.S.C. §§ 101-810 (1982). The district court dismissed with prejudice all claims other than the claim for copyright infringement. On April 17, 1987, the district court granted summary judgment for the University on the ground that the eleventh amendment barred BV's copyright infringement action against the University. *BV Engineering v. University of California, Los Angeles*, 657 F. Supp. 1246, 1250-51 (C.D. Cal. 1987). Because the material facts are undisputed, we review only the legal question whether the

eleventh amendment immunizes the University of California from suit under the Copyright Act of 1976.

II

Whether a state is immune from suit under the eleventh amendment is a question of law, which we review de novo. *See, e.g., Charley's Taxi Radio Dispatch Corp. v. SIDA*, 810 F.2d 869, 873 & n.2 (9th Cir. 1987).

III

The eleventh amendment provides: "The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State." U.S. Const. amend. XI. Although the amendment does not by its terms prohibit an action against a state by one of the state's own citizens, the Supreme Court has recognized such a prohibition. *See Welch v. State Dep't of Highways & Public Transp.*, 107 S. Ct. 2941, 2945 (1987) (plurality) (citing *Hans v. Lousiana*, 134 U.S. 1, 10 (1890)).

"[T]he University of California and the Board of Regents are considered to be instrumentalities of the state," *Jackson v. Hayakawa*, 682 F.2d 1344, 1350 (9th Cir. 1982), and therefore enjoy the same immunity as the state of California.

There are two circumstances under which the eleventh amendment does *not* bar an action for damages against a State. First, a state may waive its immunity and consent to be sued in federal court. *Welch*, 107 S. Ct. at 2945. Second, Congress may, when acting pursuant to certain powers, create a cause of action for damages against an unconsenting state. *Id.* at 2946. We address these exceptions in turn.

IV

We may find a waiver of eleventh amendment immunity only "where (1) the state *expressly* consents; (2) a state statute or constitution so provides; or (3) Congress clearly intended to condition the state's participation in a program or activity on the state's waiver of immunity." *Collins v. Alaska*, 823 F.2d 329, 331-32 (9th Cir. 1987) (emphasis added).

It is conceded that California has not *expressly* consented to suit in federal court. Amici argue, however, that California's conduct in the copyright field demonstrates an intent to subject itself to the federal copyright laws. They point to certain California statutes that recognize an obligation to pay royalties on copyrights. *See, e.g.*, Cal. Educ. Code §§ 60289 (West 1978) (state must approve amount of royalty for copyrighted material), 60291 (West Supp. 1987) (in fixing cost of books, state includes cost of royalty for copyrighted material). At most, however, California's conduct would amount to *implied* consent to be sued in federal court. Under the first prong of *Collins*, this is not enough. *See also Richard Anderson Photography v. Brown*, No. 87-1610, slip op. at 16-19 (4th Cir. July 20, 1988) (state does not waive eleventh amendment immunity merely by participating in federal copyright scheme).

Nor is there any waiver under prong two of *Collins*. It is true that California has waived its sovereign immunity for tort actions. *See* Cal. Gov't Code § 945 (West 1980) ("A public entity may sue and be sued."); *see also Muskopf v. Corning Hospital Dist.*, 55 Cal.2d 211, 11 Cal. Rptr. 89, 359 P.2d 457 (1961) (abolishing governmental immunity from tort liability). This waiver does not, however, constitute a waiver of eleventh amendment immunity. "[F]or a state statute or constitutional provision to constitute a waiver of eleventh amendment immunity, it must specify the State's intention to subject itself to suit in *federal court*." *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234, 241 (1985), (emphasis in original).

A state's waiver of sovereign immunity in its own courts does not effect a waiver of its eleventh amendment immunity in the federal courts. *Welch*, 107 S. Ct. at 2946.

Finally, there is no waiver under the third prong of *Collins*. We discern no indication in the Copyright Act of 1976 that Congress intended to condition the states' participation in the national copyright scheme on a waiver of immunity. *See Richard Anderson Photography*, slip op. at 16-19 (reaching the same conclusion).

V

A

It is well established that Congress has the power to abrogate the states' eleventh amendment immunity in statutes enacted under section 5 of the fourteenth amendment. *See, e.g., Welch*, 107 S. Ct. at 2946; *Collins v. Alaska*, 823 F.2d 329, 332 (9th Cir. 1987) ("It is beyond peradventure that, whatever power the Eleventh Amendment withdrew from the federal courts, Congress has the authority under section five of the Fourteenth Amendment to restore it.").

[1] The Copyright Act of 1976, however, was enacted pursuant to the Copyright and Patent Clause, U.S. Const. Art. I, § 8, cl. 8. The Supreme Court has reserved judgment on the question whether Congress may abrogate the states' eleventh amendment immunity pursuant to an Article I power. *See Welch*, 107 S. Ct. at 2946 ("assum[ing], without deciding or intimating a view of the question, that the authority of Congress to subject unconsenting States to suit in federal court is not confined to section 5 of the Fourteenth Amendment"); *County of Oneida, New York v. Oneida Indian Nation*, 470 U.S. 226, 252 (1985) (assuming, without deciding, that Congress may abrogate eleventh amendment immunity when it acts pursuant to the Commerce Clause, U.S. Const. Art. I, § 8, cl. 3).

Several other circuits have held that Congress *does* have the power to abrogate eleventh amendment immunity when it acts pursuant to Article I. *See United States v. Union Gas Co.*, 832 F.2d 1343, 1350-56 (3d Cir. 1987) (Commerce Clause, U.S. Const. Art. I, § 8, cl. 3), *cert. granted*, 108 S. Ct. 1219 (1988); *In re McVey Trucking, Inc.*, 812 F.2d 311, 314-23 (7th Cir.) (Bankruptcy Clause, U.S. Const. Art. I, § 8, cl. 4), *cert. denied*, 108 S. Ct. 227 (1987); *Peel v. Florida Dept. of Transportation*, 600 F.2d 1070, 1080-81 (5th Cir. 1979) (War Power Clause, U.S. Const. Art. I, § 8, cl. 11).

Commentators agree:

> Article I envisions that the national government will have exclusive power to regulate certain subjects when, in the clearly expressed opinion of Congress, such regulation would serve the nation's interests. To the extent that sovereign immunity would free a state from such national controls, that immunity is inconsistent with the constitutional plan.

Tribe, *Intergovernmental Immunities in Litigation, Taxation, and Regulation: Separation of Powers Issues in Controversies About Federalism*, 89 Harv. L. Rev. 682, 694-95 (1976); *see also id.* at 693 ("Nothing in the language or the history of the eleventh amendment suggests that it must be construed to limit congressional power under the commerce clause or under any other head of affirmative legislative authority."); *cf.* Nowak, *The Scope of Congressional Power to Create Causes of Action Against State Governments and the History of the Eleventh and Fourteenth Amendments*, 75 Colum. L. Rev. 1413, 1469 (1975) ("When the Court finally determines the scope of congressional power to create federal damage actions against state governments, it will further define the nature of federal-state relationships. If it imposes restrictions on this power . . . . [it] will have to attempt to find a principled basis for restricting the fulfillment of national needs which

call for the effective regulation of state activities when none exists.") (footnote omitted).

[2] A decision on this issue may be forthcoming. The Supreme Court recently granted certiorari in a case that endorsed the view that Congress may abrogate eleventh amendment immunity when acting pursuant to the Commerce Clause. *See United States v. Union Gas Co.*, 832 F.2d 1343 (3d Cir. 1987), *cert. granted*, 108 S. Ct. 1219 (1988). Because the issue is pending before the Supreme Court, we decline to reach it here. We assume, without deciding, that Congress may abrogate the states' eleventh amendment immunity when acting under an Article I power. We conclude that it failed to exercise that power in the Copyright Act of 1976.

B

The Supreme Court has announced a stringent test for determining whether Congress intended to create a cause of action against the states: "Congress may abrogate the State's constitutionally secured immunity from suit in federal court only by making its intention unmistakably clear in the language of the statute." *Atascadero*, 473 U.S. at 242 (1985). It must express its intention "unequivocally," *id.* at 243, and "specifically." *Id.* at 246. A general authorization for suit is not enough. *Id.*; *Welch*, 107 S. Ct. at 2947.[1]

---

[1]In *Mills Music, Inc. v. Arizona*, we held that Congress had abrogated the states' eleventh amendment immunity in the Copyright Act of 1909. 591 F.2d 1278, 1284-86 (9th Cir. 1979). Section 101 of the 1909 Act provided a cause of action against "any person" who infringed a copyright. *See id.* at 1284. We held that the term "any person" was sufficiently broad to include states. *Id.* To support this holding, we relied on the Supreme Court's decision in *Parden v. Terminal Railway*, which held that a general authorization for suit was a sufficient indication of Congressional intent to abrogate eleventh amendment immunity. 377 U.S. 184, 187-90 (1964) (interpreting the term "every common carrier" in the context of the Federal Employees Liability Act).

Section 501 of the Copyright Act of 1976 provides a cause of action for infringement against "[a]nyone who violates the exclusive rights of the copyright owner." 17 U.S.C. § 501(a).[2] We can discern no basis for characterizing this authorization for suit as anything other than general. *See Welch*, 107 S. Ct. at 2947 (characterizing the term "any seaman" as general); *Atascadero*, 473 U.S. at 234-35 (characterizing the term "any recipient" as general).

[3] Amici note, however, that the 1909 Act used the term "any person," while the 1976 Act uses the term "anyone." They argue that this change in terminology broadens the class of potential defendants, and indicates an intent to make unconsenting states subject to suit in federal court. While amici may be correct that the term "anyone" is broader than the term "any person"—because "anyone" more clearly includes entities—we reject the proposition that this is the type of "unequivocal statutory language" required by

---

Subsequent Supreme Court decisions have made it clear that our conclusion in *Mills Music* was incorrect. In *Atascadero*, the Court held that "[a] general authorization for suit in federal court is *not* . . . sufficient to abrogate the Eleventh Amendment." 473 U.S. at 246 (emphasis added) (interpreting the term "any recipient of Federal assistance" in the context of the Rehabilitation Act). Two years later, the Court reiterated this rule, and held that "to the extent that *Parden v. Terminal Railway* is inconsistent with the requirement that an abrogation of Eleventh Amendment immunity by Congress must be expressed in unmistakably clear language, it is overruled." *Welch v. State Dep't of Highways & Public Transp.*, 107 S. Ct. 2941, 2947, 2948 (1987) (plurality) (interpreting the term "any seaman" in the context of the Jones Act). In light of these cases, it is clear that the term "any person" is not sufficiently broad to encompass States as potential defendants. Thus, our decision in *Mills Music* has been overruled sub silentio. The district court correctly concluded that *Mills Music* is no longer the law of this circuit. *See BV Engineering*, 657 F. Supp. at 1249-50.

[2]Section 501(a) provides, in full, that "Anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 118, or who imports copies or phonorecords into the United States in violation of section 602, is an infringer of the copyright."

Atascadero. *See* 473 U.S. at 246. We therefore conclude, with the other courts that have examined this provision, that section 501 does not indicate a Congressional intent to subject unconsenting states to suit for damages in federal court. *See Richard Anderson Photography*, slip op. at 9-10; *Woellfer v. Happy States of America, Inc.*, 626 F. Supp. 499, 504 (N.D. Ill. 1985) ("The sweeping language employed by Congress arguably includes states within the class of copyright ... infringers. Under *Atascadero*, however, this is not enough to abrogate sovereign immunity.") (citation omitted).

This does not end our inquiry. It is well settled that in interpreting a statute we must consider each provision in the context of the statute as a whole. *E.g.*, *Kelly v. Robinson*, 107 S. Ct. 353, 358 (1986) (in construing statute, court must look not at a single sentence but at the provisions of the entire statute); *Richards v. United States*, 369 U.S. 1, 11 (1962) (it is "fundamental that a section of a statute should not be read in isolation from the context of the whole Act"); *Largo v. Sunn*, 835 F.2d 205, 207 (9th Cir. 1987) (in construing statute, court looks at language in isolation and in context); *see also Richard Anderson Photography*, slip op. at 10-11 (declining to limit inquiry to Section 501).

Only two provisions of the Copyright Act of 1976—one of which has lapsed—refer explicitly to states. Section 602(a) provides that the unauthorized importation of copies or phonorecords of a copyrighted work constitutes an infringement actionable under section 501. 17 U.S.C. § 602(a). Subsection (1) exempts from this provision the "importation of copies or phonorecords under the authority of or for the use of ... any State or political subdivision of a State, but not including copies or phonorecords for use in schools, or copies of any audiovisual work imported for purposes other than archival use." 17 U.S.C. § 602(a)(1).

Section 601(a), which is no longer in effect, prohibited the importation of certain designated materials. Section 601(b)

(3) provided an exemption "where importation is sought under the authority of or for the use, other than in schools, of . . . any State or political subdivision of a State." 17 U.S.C. § 601(b)(3).

BV argues that the mere presence of sections 602 and 601 in the Copyright Act demonstrates Congress' "intent to bring the states within the reach of the Copyright Act and to render them liable as infringers in the same manner as all other infringers." It cites to *Patsy v. Board of Regents*, 457 U.S. 496 (1982), in which the Supreme Court employed similar reasoning to hold that exhaustion of state administrative remedies is not a general prerequisite to suit under 42 U.S.C. § 1983. In *Patsy*, the Court reasoned that a separate statute, which created a "specific, limited exhaustion requirement for adult prisoners," *id.* at 508, "[made] sense, and [was] not superfluous" only if Congress intended that there be no *general* exhaustion requirement. *Id.* at 512. BV argues that sections 602 and 601 and their exemptions are superfluous unless Congress intended that states be subject to suit for copyright infringement in situations *other* than those governed by sections 602 and 601.

BV's interpretation of sections 602 and 601 would be tenable were it not for *Atascadero*'s requirement of clear and unmistakable statutory language. *See Atascadero*, 473 U.S. at 243. As the fourth circuit recently noted, the exemptions in these sections apply to "importation . . . under the authority of or for the use . . . of any State," 17 U.S.C. §§ 601, 602, not "importation *by* any state." *See Richard Anderson Photography*, slip op. at 15 (discussing section 602). This language can "be read as exempting from liability only those private persons or public officials acting in their individual capacity who import copyright materials under governmental authority or for governmental use." *Id.* Because these sections are susceptible to more than one reasonable interpretation, we cannot conclude that they satisfy *Atascadero*'s requirement of clear and unmistakable language.

For the same reason, we reject BV's argument that sections 110(2), (6), and (8); 111(a)(4); 112(b), (c), and (d); and 118(d)(3) evidence congressional intent to abrogate the states' immunity. These sections refer not to "states," but to "governmental bodies." As the fourth circuit noted in its recent opinion on this issue, "the phrase [governmental bodies] could be read as applicable only to local governments or to actions by government officials." *Richard Anderson Photography*, slip op. at 13. Plausible as BV's interpretation may be, *Atascadero* does not permit us to find abrogation based on ambiguous language.

VI

Finally, BV argues that it is inconsistent with the statutory scheme governing copyright law to immunize states from suit for infringement. The Copyright and Patent Clause gives Congress the power "To promote the Progress of Science and Useful Arts by securing for limited Times to Authors and Inventors the *exclusive* Right to their respective Writings and Discoveries. . . ." U.S. Const. Art. I, § 8, cl. 8 (emphasis added). Congress granted such an exclusive right in section 106 of the Copyright Act of 1976, which confers on a copyright owner a limited monopoly. The Supreme Court has suggested that even the states must honor a copyright owner's monopoly: "When Congress grants an exclusive right or monopoly, its effects are pervasive; no citizen or State may escape its reach." *Goldstein v. California*, 412 U.S. 546, 560 (1973) (referring to the Copyright Act of 1909).

BV also argues that the policies behind the Eleventh Amendment are not implicated in this case. These policies include preventing a drain on state treasuries, *see Edelman v. Jordan*, 415 U.S. 651, 663-68 (1974), and limiting the jurisdiction of the federal courts. *See Atascadero*, 473 U.S. at 242-43. The first policy is not at issue here because the states can avoid a drain on the treasury from damages actions simply by complying with the federal copyright laws.

Nor is the second policy at issue here. Behind the eleventh amendment lies a concern for maintaining a balance of power between state and federal courts. *Id.* In most cases, "in determining whether Congress has abrogated the States' Eleventh Amendment immunity, the courts themselves must decide whether their own jurisdiction has been expanded." *Id.* at 243. Here, however, a holding that Congress has abrogated immunity in the Copyright Act could not expand the jurisdiction of the federal courts, because the federal courts already have *exclusive* jurisdiction over copyright actions. 28 U.S.C. § 1338(a). The Copyright Act, moreover, preempts all state copyright laws. 17 U.S.C. § 301(a). Thus, the choice is not between the federal forum and the state forum—it is between the federal forum and *no* forum.

The Supreme Court has never addressed the question of eleventh amendment immunity in a context where exclusive jurisdiction rests in the federal courts. Rather, it has assumed that when the eleventh amendment bars an action in federal court, a state remedy is still available: "[T]he issue is not the general immunity of the States from private suit . . . but merely the susceptibility of the States to suit before *federal tribunals.*" *Atascadero,* 473 U.S. at 240 n.2 (emphasis and ellipsis in original) (quoting *Employees v. Missouri Dep't of Public Health & Welfare,* 411 U.S. 279, 293-94 (1973) (Marshall, J., concurring in the result)).

[4] Although we find these arguments compelling, we are constrained by the Supreme Court's mandate that we find an abrogation of eleventh amendment immunity only when Congress has included in the statute unequivocal and specific language indicating an intent to subject states to suit in federal court. Such language is absent from the Copyright Act of 1976. We recognize that our holding will allow states to violate the federal copyright laws with virtual impunity. It is for Congress, however, to remedy this problem.

The judgment of the district court is AFFIRMED.

APPENDIX B

BV ENGINEERING, a business entity,
Plaintiff,

v.

UNIVERSITY OF CALIFORNIA, LOS ANGELES
(the Regents of the University of California),
Defendant.

No. CV 86-4708-HLH (Px).

United States District Court,
C.D. California.

April 17, 1987.

MEMORANDUM OPINION AND ORDER GRANTING SUMMARY JUDGMENT AND DISMISSING ACTION

HUPP, District Judge.

BV Engineering, a business name for Bert van den Berg, plaintiff, who manufactures and sells computer software products, brought this action against the Regents of the University of California ("Regents") for copyright infringement, trademark infringement, and breach of contract. Pursuant to stipulation, the suit was restricted to seven counts of copyright infringement under the Copyright Laws of the United States, 17 U.S.C. §§ 101, *et. seq.* Plaintiff's complaint alleges that the defendant illegally copied seven of plaintiff's copyrighted software programs and associated documents and seeks damages therefor under the Copyright Laws.

Both parties have moved for summary judgment. Defendant Regents' motion is based on various grounds, including a claim that defendant is entitled to immunity from suit in this context under the Eleventh Amendment. Since the Court finds that the sovereign immunity doctrine associated with the Eleventh Amendment applies to defendant Regents in this case, the Court does not reach the remaining issues posed by the parties on their cross motions for summary judgment.

The Board of Regents of the University of California is an instrumentality of the state for purposes of the Eleventh Amendment and its associated doctrine of sovereign immunity. *Hall v. State of Hawaii,* 791 F.2d 759, 761 (9th Cir. 1986); *Jackson v. Hayakawa,* 682 F.2d 1344, 1350 (9th Cir. 1982). Therefore, the remaining question is whether the doctrine of sovereign immunity associated with the Eleventh Amendment immunizes the Regents against a damage suit for copyright infringement.

The Eleventh Amendment provides in pertinent part:

"The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State. . . ."

The Eleventh Amendment has a long and, in some respects, obscure history. (*See* 56 page dissent of Justice Brennan in *Atascadero State Hospital v. Scanlon,* 473 U.S. 234, 247-302, 105 S.Ct. 3142, 3150-3178, 87 L.Ed.2d 171, 183-217 (1985)). Justice Brennan's long standing dissenting thesis is that the Eleventh Amendment is inapplicable to cases arising under Article III federal question jurisdiction. (*Id.*). The recent case of *Matter of McVey Trucking, Inc.,* 812 F.2d 311 (7th Cir. 1987) analyzes the views of the majority (expressed primarily in Rehnquist and Powell opinions) and the minority (expressed in Brennan opinions) on the applicability of the Eleventh Amendment in such cases. This Court agrees with the *McVey* Court's analysis of the Eleventh Amendment and its associated doctrine of sovereign immunity and the Seventh Circuit's conclusion that *Hans v. Louisiana,* 134 U.S. 1, 10 S.Ct. 504, 33 L.Ed. 842 (1890) "stands for the proposition that, as a sovereign, a state is presumptively immune from suit in a federal court even if the cause of action arises under federal law." *McVey Trucking* at 318. Thus, as *McVey* explains, the Eleventh Amendment expressly divests the federal courts of jurisdiction founded on diversity alone in a damage action, but in addition, where federal question jurisdiction is involved, the constitutional history surrounding the Eleventh Amendment necesitates a court created recognition of a state's presumptive sovereign immunity from a damage suit in the federal courts.

Recognizing this presumption of immunity, however, the Supreme Court, in cases subsequent to *Hans v. Louisiana, supra,* has established the proposition that when Congress enacts legislation pursuant to a plenary power articulated in the Constitution (primarily found in Article I, § 8, and in the Fourteenth Amendment), it may, if it properly expresses its intention, override the presumption and create a cause of action for money damages enforceable against an unconsenting state in federal court. *See Atascadero State Hospital v. Scanlon,* 473 U.S. 234, 105 S.Ct. 3142, 87 L.Ed.2d 171 (1985); *Pennhurst State School & Hospital v. Halderman,* 465 U.S. 89, 104 S.Ct. 900, 79 L.Ed.2d 67 (1984); *Quern v. Jordan,* 440 U.S. 332, 99 S.Ct. 1139, 59 L.Ed.2d 358 (1979); *Hutto v. Finney,* 437 U.S. 678, 98 S.Ct. 2565, 57 L.Ed.2d 522 (1978); *Fitzpatrick v. Bitzer,* 427 U.S. 445, 96 S.Ct. 2666, 49 L.Ed.2d 614 (1976); *Edelman v. Jordan,* 415 U.S. 651, 94 S.Ct. 1347, 39 L.Ed.2d 662 (1974); *Parden v. Terminal R. Co.,* 377 U.S. 184, 84 S.Ct. 1207, 12 L.Ed.2d 283 (1964).[1]

In addition, this Court notes its further agreement with the *McVey* Court's conclusion that congress "may abrogate state immunity to suit pursuant to any of its plenary powers." (*McVey Trucking, supra,* at 315-323) (rejecting any of the possible bases for distinguishing between the Fourteenth Amendment and Article I plenary powers as a source for the congressional power to

---

[1]The congressional power to subject the States to suit in federal court is sometimes phrased as Congress' ability to abrogate a state's sovereign or "Eleventh Amendment" immunity, which leads to the conceptual difficulty of congressional "abrogation" of a provision of the Constitution. Whether Congressional "abrogation" of a State's Eleventh Amendment immunity is merely shorthand for recognizing constitutional limits on a State's immunity to suit which derive from judicial constructs of sovereign immunity appended to the Eleventh Amendment beginning with the seminal case of *Hans v. Louisiana, supra,* depends upon historical analysis of the development of the Eleventh Amendment and its case law progeny. Rather than attempt to clarify the language utilized by the Supreme Court in reaching the above result, this Court adopts the Seventh Circuit's formulation of this congressional power to describe the holdings of such case as *Atascadero, Pennhurst, Quern, Hutto, Fitzpatrick, Edelman* and *Parden, supra.*

create a cause of action for money damages enforceable against an unconsenting state in federal court).

Thus, the question before this Court is, in light of the current test for determining whether Congress has exercised its power to create a cause of action for money damages enforceable against an unconsenting state in federal court, whether Congress has done so in the Copyright Laws of the United States enacted pursuant to Article I, Section 8, Clause 8 of the Constitution.

In the 9th Circuit, the question of whether Congress intended to do so was, at one time, settled so far as copyright actions are concerned in *Mills Music, Inc. v. State of Arizona* (9th Cir. 1979) 591 F.2d 1278. In the *Mills Music* case, the 9th Circuit Court of Appeals recognized the longstanding doctrine that Congress needed to express clearly its intent to subject an unconsenting state to a federally created cause of action for damages in federal court.

The United States Constitution, Article I, Section 8, Clause 8, expressly provides authority for Congress to enact a patent, trademark, and copyright law. In the *Mills Music* case, the Court construed the Copyright Laws' application to "any person" as being sufficiently explicit to include a state. The Court concluded (at page 1286):

> "Accordingly, we conclude that the Eleventh Amendment's sovereign immunity does not permit a state to nullify the rights reserved and protected by Congress, acting pursuant to the Copyright and Patent Clause."

If it can be said that the *Mills Music* case is still the law in this Circuit, defendant's motion for summary judgment based on the Eleventh Amendment and its associated sovereign immunity doctrine must be denied. However, the Court believes that the decision of the Supreme Court in *Atascadero State Hospital v. Scanion, supra*, and the 9th Circuit's decision in *Doe By Gonzales v. Maher*, 793 F.2d 1470 (9th Cir. 1986) indicate that *Mills Music* is no longer the law.

The decision in *Atascadero State Hospital* points inevitably to this conclusion. In *Atascadero State Hospital*, the Supreme Court

made it clear that when Congress enacts a law under one of its powers granted by the Constitution, it may subject States to damage suits under that law in the federal courts only by expressly saying so in the applicable statute. The Supreme Court said, at 473 U.S. 239-40, 105 S.Ct. 3146, 87 L.Ed.2d 178:

> "Thus, we have held that a state will be deemed to have waived its immunity 'only where stated by the most express language or by such overwhelming implication from the text as will leave no room for any other reasonable construction' " (citing *Edelman v. Jordan, supra*).

Further, the Supreme Court quoted a prior holding as stating:

> "... in determining whether Congress in exercing its Fourteenth Amendment powers has abrogated the States' Eleventh Amendment immunity, we have required 'an unequivocal expression of congressional intent to overturn the consitutionally guaranteed immunity of the several States' " (*Id.* citing *Penhurst State School & Hospital v. Halderman, supra*).

Thus far, the language recites in vigorous terms the previous Supreme Court holdings. The new requirement starts at 473 U.S. 242, 105 S.Ct. 3147, 87 L.Ed.2d 179, where the Supreme Court states that it does:

> "... affirm that Congress may abrogate the States' constitutionally secured immunity from suit in federal court only by making its intention unmistakably clear *in the language of the statute.* The fundamental nature of the interests implicated by the Eleventh Amendment dictates this conclusion." (Emphasis added).

At page 243, 105 S.Ct. at 3147, the Court says:

> "... it is incumbent upon the federal courts to be certain of Congress' intent before finding that federal law overrides the guarantees of the Eleventh Amendment. The requirement that Congress unequivocally express this intention *in the statutory language* ensures such certainty." (Emphasis added).

> And, also at page 243, 105 S.Ct. at 3148: "For these reasons, we hold consistent with *Quern, Edelman,* and *Pennhurst* II — that Congress must express its intention to abrogate the Eleventh Amendment *in unmistakable language in the statute itself.*" (Emphasis added).

In the *Atascadero State Hospital* case, the statute provided for suit against *any recipient* of the federal funds involved in the statute being construed. The State of California was such a recipient. The Court held that this fact was insufficient to imply a congressional intention that a state may be sued under the Act for damages in federal court. The Court stated that "[a] general authorization for suit in federal court is not the kind of unequivocal statutory language sufficient to abrogate the Eleventh Amendment." (*Id.* at 246, 105 S.Ct. at 3149).

In a respect other than the Copyright Act, the emphatic language of the Court in *Atascadero State Hospital* has led the 9th Circuit to overturn previous holdings implying a congressional intention under certain statutes to allow suit for money damages against an unconsenting state in a federal court. In *Doe By Gonzales v. Maher, supra,* the 9th Circuit was dealing with federal statutory law under the Education for All Handicapped Children Act. 9th Circuit precedent had previously held in cases which cited *Mills Music* that congressional intention to allow suit in the federal court against the state under this legislation could be implied. *Students of California School for the Blind v. Honig,* 736 F.2d 538 (9th Cir. 1984); *Department of Education v. Catherine D.*, 727 F.2d 809 (9th Cir. 1984). In *Doe By Gonzales,* the 9th Circuit stated (at page 1493):

> "Although these cases formerly were controlling, they can carry no force in the light of the Supreme Court's recent decision in *Atascadero State Hospital v. Scanion* . . . ."

The Court in *Doe By Gonzales* went on to summarize the substance of the *Atascadero State Hospital* case and to hold that it is binding in the absence of sufficiently expressed language in the federal enactment itself.

While there is no direct 9th Circuit opinion overruling *Mills Music,* the handwriting is unmistakably on the wall and the Court

must read that handwriting. Since *Atascadero State Hospital*, other district courts have held that the *Mills Music* decision is obviated and a different result is called for. (*Woelffer v. Happy States of America, Inc.*, 626 F.Supp. 499 (N.D.Ill. 1985); *Richard Anderson Photography v. Radford University*, 633 F.Supp. 1154 (W.D.Va. 1986) (the latter case reversing a previous Western District of Virginia case decided in accord with *Mills Music*). *See also Mihalek Corp. v. Michigan*, 595 F.Supp. 903 (E.D.Mich.1984). The 8th Circuit had previously held that a state may not be sued under the Copyright Acts (*Wihtol v. Crow*, 309 F.2d 777 (8th Cir. 1962)).

The Court is reluctant to reach the conclusion that *Mills Music* no longer obtains. Were the Court free to do so, it would hold otherwise, since it believes the view expressed by Judge (now Chief Justice) Lucas in the *Mills Music* case to be sound. In the copyright, trademark, and patent area, it seems reasonable that an intention to bind the States should be implied, particularly in view of the circumstance that the federal courts are the only place where federal copyrights may be enforced (federal court jurisdiction being exclusive under 28 U.S.C. § 1338(a)). However, despite dictum in *McVey Trucking, supra,* suggesting that the *Atascadero State Hospital* language was perhaps not meant literally, (*McVey Trucking* at 324- 325), the requirement that the congressional intent to abrogate a state's sovereign immunity must be "express . . . in the statutory language" was thrice stated, was specifically attacked in Justice Brennan's dissent, and was a concept borrowed from Justice Powell's dissenting opinion in *Hutto v. Finney, supra.* (*Hutto v. Finney, supra,* Powell, concurring in part and dissenting in part). The chances of the new standard expressed in *Atascadero State Hospital* having been accidentally formulated or unintended to be taken literally are nonexistent.

The majority in *Atascadero State Hospital* was emphatic, even more than emphatic, in stating that congressional intention must be expressly set forth *in the statute.* Such an intention is not set forth in the statute here. 17 U.S.C. § 501(a) merely says that:

> (a) Anyone who violates any of the exclusive rights of the copyright owner . . . is an infringer of the copyright.

> (b) The legal or beneficial owner of an exclusive right under a copyright is entitled . . . to institute any action for any infringement of that particular right . . . .

No express statement that the state is included in the general phrase "anyone" is set forth. The rationale of *Mills Music* is necessary to make that implication, but that rationale has, in effect, been overruled in *Atascadero State Hospital.* Accordingly, the necessary unequivocal expression of congressional intent within the language of the statute which is a prerequisite to a finding that Congress has exercised its power to create a cause of action for money damages against an unconsenting state in federal court, is not present and the suit may not be maintained in this District Court.[2] Defendant's motion for summary judgment is granted, plaintiff's motion for summary judgment is denied, and the action is dismissed. This Order is a final disposition of this action for purposes of F.R.C.P. Rule 54.

---

[2]In the complaint, plaintiff prays for injunctive relief as well as damages. Different rules govern a grant of injunctive relief against a state based on a cause of action "arising under" federal law. Specifically, injunctions against future conduct in violation of federal law are not governed by the same rules of interpretation as are damage claims. *Edelman v. Jordan,* 415 U.S. 651, 94 S.Ct. 1347, 39 L.Ed.2d 662 (1974); *Ex Parte Young,* 209 U.S. 123, 28 S.Ct. 441, 52 L.Ed. 714 (1908). However, plaintiff has apparently abandoned the claim for injunctive relief since the joint status conference report mentions only damages as being at issue, plaintiff nowhere mentions an injunction in the opposition to defendant's motion for summary judgment or in plaintiff's own motion, and plaintiff does not refer to defendant's argument that an injunction is inappropriate. In any event, there is no triable issue regarding an injunction. Defendant shows by declaration that when the dispute arose, it collected all copies made of the program and that it will not further distribute them; plaintiff does not controvert this showing and thus it is without factual dispute. Therefore, the court determines that no "live" issue in this case remains regarding injunctive relief.

APPENDIX C

Provisions of Title 28, U.S.C.

§ 1338. Patents, plant variety protection, copyrights, trademarks, and unfair competition

(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trade-marks. Such jurisdiction shall be exclusive to the courts of the states in patent, plant variety protection and copyright cases.

Provisions of Title 17, U.S.C.

§ 110. Limitations on exclusive rights: Exemption of certain performances and displays

Notwithstanding the provisions of section 106, the following are not infringements of copyright:

(2) performance of a nondramatic literary or musical work or display of a work, by or in the course of a transmission, if —

(A) the performance or display is a regular part of the systematic instructional activities of a governmental body or a nonprofit educational institution; and

(B) the performance or display is directly related and of material assistance to the teaching content of the transmission; and

(C) the transmission is made primarily for —

(i) reception in classrooms or similar places normally devoted to instruction, or

(ii) reception by persons to whom the transmission is directed because their disabilities or other special circumstances prevent their attendance in classrooms or similar places normally devoted to instruction, or

(iii) reception by officers or employees of governmental bodies as a part of their official duties or employment;

(6) performance of a nondramatic musical work by a governmental body or a nonprofit agricultural or horticultural organization, in the course of an annual agricultural or horticultural fair or exhibition conducted by such body or organization; the exemption provided by this clause shall extend to any liability for copyright infringement that would otherwise be imposed on such body or organization, under doctrines of vicarious liability or related infringement, for a performance by a concessionnaire, business establishment, or other person at such fair or exhibition, but shall not excuse any such person from liability for the performance;

(8) performance of a nondramatic literary work, by or in the course of a transmission specifically designed for and primarily directed to blind or other handicapped persons who are unable to read normal printed material as a result of their handicap, or deaf or other handicapped persons who are unable to hear the aural signals accompanying a transmission of visual signals, if the performance is made without any purpose of direct or indirect commercial advantage and its transmission is made through the facilities of: (i) a governmental body; or (ii) a noncommercial educational broadcast station (as defined in section 397 of title 47); or (iii) a radio subcarrier authorization (as defined in 47 CFR 73.293-73.295 and 73.593-73.595); or (iv) a cable system (as defined in section 111(f)).

§ 111. Limitations on exclusive rights: Secondary transmissions

(a) CERTAIN SECONDARY TRANSMISSIONS EXEMPTED. — The secondary transmission of a primary transmission embodying a performance or display of a work is not an infringement of copyright if —

(1) the secondary transmission is not made by a cable system, and consists entirely of the relaying, by the management of a hotel, apartment house, or similar establishment, of signals transmitted by a broadcast station licensed by the Federal Communications Commission, within the local service area of such station, to the private lodgings of guests or residents of such establishment, and no direct charge is made to see or hear the secondary transmission; or

(2) the secondary transmission is made solely for the purpose and under the conditions specified by clause (2) of section 110; or

(4) the secondary transmission is not made by a cable system but is made by a governmental body, or other nonprofit organization, without any purpose of direct or indirect commercial advantage, and without charge to the recipients of the secondary transmission other than assessments necessary to defray the actual and reasonable costs of maintaining and operating the secondary transmission service.

§ 112. Limitations on exclusive rights: Ephemeral recordings

(b) Notwithstanding the provisions of section 106, it is not an infringement of copyright for a governmental body or other nonprofit organization entitled to transmit a performance or display of a work, under section 110(2) or under the limitations on exclusive rights in sound recordings specified by section 114(a), to make no more than thirty copies or phonorecords of a particular transmission program embodying the performance or display, if —

(1) no further copies or phonorecords are reproduced from the copies or phonorecords made under this clause; and

(2) except for one copy or phonorecord that may be preserved exclusively for archival purposes, the copies or phonorecords are destroyed within seven years from the date the transmisson program was first transmitted to the public.

(c) Notwithstanding the provisions of section 106, it is not an infringement of copyright for a governmental body or other nonprofit organization to make for distribution no more that one copy or phonorecord, for each transmitting organization specified in clause (2) of this subsection, of a particular transmission program embodying a performance of a nondramatic musical work of a religious nature, or of a sound recording of such a musical work, if —

(1) there is no direct or indirect charge for making or distributing any such copies or phonorecords; and

(2) none of such copies or phonorecords is used for any performance other than a single transmission to the public by a transmitting organization entitled to transmit to the public a performance of the work under a license or transfer of the copyright; and

(3) except for one copy or phonorecord that may be preserved exclusively for archival purposes, the copies or phonorecords are all destroyed within one year from the date the transmission program was first transmitted to the public.

(d) Notwithstanding the provisions of section 106, it is not an infringement of copyright for a governmental body or other nonprofit organization entitled to transmit a performance of a work under section 110(8) to make no more than ten copies or phonorecords embodying the performance, or to permit the use of any such copy or phonorecord by any governmental body or nonprofit organization entitled to transmit a performance of a work under section 110(8), if —

(1) any such copy or phonorecord is retained and used solely by the organization that made it, or by a governmental body or nonprofit organization entitled to transmit a performance of a work under section 110(8), and no further copies or phonorecords are reproduced from it; and

(2) any such copy or phonorecord is used solely for transmissions authorized under section 110(8), or for purposes of archival preservation or security; and

(3) the governmental body or nonprofit organization permitting any use of any such copy or phonorecord by any governmental body or nonprofit organization under this subsection does not make any charge for such use.

§ 118. Scope of exclusive rights: Use of certain works in connection with noncommercial broadcasting

(d) Subject to the transitional provisions of subsection (b)(4), and to the terms of any voluntary license agreements that have been negotiated as provided by subsection (b)(2), a public broadcasting entity may, upon compliance with the provisions of

this section, including the rates and terms established by the Copyright Royalty Tribunal under subsection (b)(3), engage in the following activities with respect to published nondramatic musical works and published pictorial, graphic, and sculptural works:

(3) the making of reproductions by a governmental body or a nonprofit institution of a transmission program simultaneously with its transmission as specified in clause (1), and the performance or display of the contents of such program under the conditions specified by clause (1) of section 110, but only if the reproductions are used for performances or displays for a period of no more than seven days from the date of the transmission specified in clause (1), and are destroyed before or at the end of such period. No person supplying, in accordance with clause (2), a reproduction of a transmission program to governmental bodies or nonprofit institutions under this clause shall have any liability as a result of failure of such body or institution to destroy such reproduction; *Provided*, That it shall have notified such body or institution of the requirement for such destruction pursuant to this clause; *And provided further*, That if such body or institution itself fails to destroy such reproduction it shall be deemed to have infringed.

§ 301. Preemption with respect to other laws

(a) On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

(b) Nothing in this title annuls or limits any rights or remedies under the common law or statutes of any State with respect to —

(1) subject matter that does not come within the subject matter of copyright as specified by sections 102 and 103, including works of authorship not fixed in any tangible medium of expression; or

(2) any cause of action arising from undertakings commenced before January 1, 1978; or

(3) activities violating legal or equitable rights that are not equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106.

(c) With respect to sound recordings fixed before February 15, 1972, any rights or remedies under the common law or statutes of any State shall not be annulled or limited by this title until February 15, 2047. The preemptive provisions of subsection (a) shall apply to any such rights and remedies pertaining to any cause of action arising from undertakings commenced on and after February 15, 2047. Notwithstanding the provisions of section 303, no sound recording fixed before February 15, 1972, shall be subject to copyright under this title before, on, or after February 15, 2047.

(d) Nothing in this title annuls or limits any rights or remedies under any other Federal statute.

§ 501. Infringement of copyright

(a) Anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 118, or who imports copies or phonorecords into the United States in violation of section 602, is an infringer of the copyright.

(b) The legal or beneficial owner of an exclusive right under a copyright is entitled, subject to the requirements of sections 205(d) and 411, to institute an action for any infringement of that particular right committed while he or she is the owner of it. The court may require such owner to serve written notice of the action with a copy of the complaint upon any person shown, by the records of the Copyright Office or otherwise, to have or claim an interest in the copyright, and shall require that such notice be served upon any person whose interest is likely to be affected by a

decision in the case. The court may require the joinder, and shall permit the intervention, of any person having or claiming an interest in the copyright.

(c) For any secondary transmission by a cable system that embodies a performance or a display of a work which is actionable as an act of infringement under subsection (c) of section 111, a television broadcast station holding a copyright or other license to transmit or perform the same version of that work shall, for purposes of subsection (b) of this section, be treated as a legal or beneficial owner if such secondary transmission occurs within the local service area of that television station.

(d) For any secondary transmission by a cable system that is actionable as an act of infringement pursuant to section 111(c)(3), the following shall also have standing to sue: (i) the primary transmitter whose transmission has been altered by the cable system; and (ii) any broadcast station within whose local service area the secondary transmission occurs.

§ 504. Remedies for infringement: Damages and profits

(a) IN GENERAL. — Except as otherwise provided by this title, an infringer of copyright is liable for either —

(1) the copyright owner's actual damages and any additional profits of the infringer, as provided by subsection (b); or

(2) statutory damages, as provided by subsection (c).

(b) ACTUAL DAMAGES AND PROFITS. — The copyright owner is entitled to recover the actual damages suffered by him or her as a result of the infringement, and any profits of the infringer that are attributable to the infringement and are not taken into account in computing the actual damages. In establishing the infringer's profits, the copyright owner is required to present proof only of the infringer's gross revenue, and the infringer is required to prove his or her deductible expenses and the elements of profit attributable to factors other than the copyrighted work.

(c) STATUTORY DAMAGES. —

(1) Except as provided by clause (2) of this subsection, the copyright owner may elect, at any time before final judgment is

rendered, to recover, instead of actual damages and profits, an award of statutory damages for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally, in a sum of not less than $250 or more than $10,000 as the court considers just. For the purposes of this subsection, all the parts of a compilation or derivative work constitute one work.

(2) In a case where the copyright owner sustains the burden of proving, and the court finds, that infringement was committed willfully, the court in its discretion may increase the award of statutory damages to a sum of not more than $50,000. In a case where the infringer sustains the burden of proving, and the court finds, that such infringer was not aware and had no reason to believe that his or her acts constituted an infringement of copyright, the court it (*sic,* in) its discretion may reduce the award of statutory damages to a sum of not less than $100. The court shall remit statutory damages in any case where an infringer believed and had reasonable grounds for believing that his or her use of the copyrighted work was a fair use under section 107, if the infringer was: (i) an employee or agent of a nonprofit educational institution, library, or archives acting within the scope of his or her employment who, or such institution, library, or archives itself, which infringed by reproducing the work in copies or phonorecords; or (ii) a public broadcasting entity which or a person who, as a regular part of the nonprofit activities of a public broadcasting entity (as defined in subsection (g) of section 118) infringed by performing a published nondramatic literary work or by reproducing a transmission program embodying a performance of such a work.

§ 505. Remedies for infringement: Costs and attorney's fees

In any civil action under this title, the court in its discretion may allow the recovery of full costs by or against any party other than the United States or an officer thereof. Except as otherwise provided by this title, the court may also award a reasonable attorney's fee to the prevailing party as part of the costs.

§ 601. Manufacture, importation, and public distribution of certain copies

(a) Prior to July 1, 1982, and except as provided by subsection (b), the importation into or public distribution in the United States of copies of a work consisting preponderantly of nondramatic literary material that is in the English language and is protected under this title is prohibited unless the portions consisting of such material have been manufactured in the United States or Canada.

(b) The provisions of subsection (a) do not apply —

(3) where importation is sought under the authority or for the use, other than in schools, of the Government of the United States or of any State or political subdivision of a State;

§ 602. Infringing importation of copies or phono-records

(a) Importation into the United States, without the authority of the owner of copyright under this title, of copies or phonorecords of a work that have been acquired outside the United States is an infringement of the exclusive right to distribute copies or phonorecords under section 106, actionable under section 501. This subsection does not apply to —

(1) importation of copies or phonorecords under the authority or for the use of the Government of the United States or of any State or political subdivision of a State, but not including copies or phonorecords for use in schools, or copies of any audiovisual work imported for purposes other than archival use;

(2) importation, for the private use of the importer and not for distribution, by any person with respect to no more than one copy or phonorecord of any one work at any one time, or by any person arriving from outside the United States with respect to copies or phonorecords forming part of such person's personal baggage; or

(3) importation by or for an organization operated for scholarly, educational, or religious purposes and not for private gain, with respect to no more than one copy of an audiovisual work solely for its archival purposes, and no more than five copies or phonorecords of any other work for its library lending or archival purposes, unless the importation of such copies or phonorecords is

part of an activity consisting of systematic reproduction or distribution, engaged in by such organization in violation of the provisions of section 108(g)(2).

(b) In a case where the making of the copies or phonorecords would have constituted an infringement of copyright if this title had been applicable, their importation is prohibited. In a case where the copies or phonorecords were lawfully made, the United States Customs Service has no authority to prevent their importation unless the provisions of section 601 are applicable. In either case, the Secretary of the Treasury is authorized to prescribe, by regulation, a procedure under which any person claiming an interest in the copyright in a particular work may, upon payment of a specified fee, be entitled to notification by the Customs Service of the importation of articles that appear to be copies or phonorecords of the work.